NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (12/21):
BUTTER: Grade AA closed at $1.3600. The weekly average for Grade AA is $1.3142 (+.0750).
CHEESE: Barrels closed at $1.2700 and blocks at $1.3000. The weekly average for barrels is $1.2680 (+.0270) and blocks, $1.2690 (+.0530).
NONFAT DRY MILK: Extra Grade closed at $0.9900 and Grade A closed at $1.0000. The weekly average for Extra Grade is $0.9900 (N.C.) and Grade A, $1.0000 (N.C.).
HOLIDAY TRADING SCHEDULE FOR SPOT CALL BUTTER, CHEESE AND NDM (CME): The dairy spot call markets will be closed December 24th - 25th and resume on the 26th. For the following week, markets will be closed December 31st – January 1st and resume January 2nd.

BUTTER: Butter prices are firm. Many producers and handlers are surprised at the strength in the cash price this late in the year. With most holiday orders already in the retail channels and food service orders steady, producers and handlers wonder why are prices advancing at this time when butter production typically is heavy. Reports indicate that there are no shortages of bulk butter and any needs are easily filled. Overall demand is lighter this week as most holiday orders have been placed and shipped. Churning schedules are anticipated to be heavier over the next week to 10 days as additional cream offerings are expected to become available to butter operations across the country. During this holiday period, cream may be moving greater distances to find willing buyers and processing capacity.

CHEESE: The cheese market is firmer, though the undertone is unsettled for January. Most packagers will be closed an extra day for the holiday observance, reducing bulk cheese needs and affecting delivery schedules. Current cheese offerings are tight to adequate, as orders for yearend holidays improved in recent weeks. Current cheese production is steady though expected to increase during the holidays. The Kansas City Commodity Office announced that all offers to purchase CCC owned cheese under DSC1, Invitation 4 were rejected due to price. No further offers will be considered.

FLUID MILK: Class I sales are steady to improved. Production of holiday items has been active. With schools and universities closing until after the New Year, fewer institutional products will be needed and bottler fluid needs will decline. Manufacturing schedules are expected to increase as a result. Cream interest is slower as some facilities will close until the new year. Current milk intakes are about steady with recent weeks in the Midwest and California and mostly higher elsewhere. Wet conditions in New Mexico, Arizona, and much of the West Coast are impacting production per cow.

DRY PRODUCTS: The powder markets are quiet with spot interest generally light. Besides the normal calendar year inventory management issues, the continued speculation about a price support tilt has many buyers reluctant to make additional powder purchases at this time. Manufacturing schedules are expected to increase as bottlers back off on schedules during the yearend holiday period. With current interest light except for DEIP activity, much of the current production is being put in government bags in order to offer to CCC if needed. The whey market is steady to weak. Export interest is slower and some Western producers are unable to clear current production except by discounting. Some producers remain sold out while supplies are accumulating at other locations. The WPC market is weaker and prices are unchanged to lower. Current production is steady and stocks are accumulating at some locations. Lactose is firm and production is steady to lighter. Most plants are still fully committed or have tight supplies.

CCC: During the week of December 17 - 21, adjusted purchases totaled 7,135,571 pounds of Western NDM under the price support program.

CCC ANNOUNCEMENTS (FSA): The Kansas City Commodity office (KCCO) awarded contracts for the sale of 1,221,119 pounds of nonfat dry milk for the production of casein/caseinate. The contracts were awarded as a result of notice to the trade to conduct a field test to convert nonfat dry milk into casein/caseinate. Nonfat, in 25kg bags, was offered for sale during this field test at the rate of $0.10 per pound.
KCCO also announced the sale of 289,740 pounds of CCC–owned NDM at $0.6445 per pound under Invitation 016 to Announcement RSC1 for use other than human consumption. All other offers were rejected.

NOVEMBER MILK PRODUCTION (NASS): Milk production in the 20 major States during November totaled 11.4 billion pounds, up 51 million pounds (0.4%) from November 2000. October revised production, at 11.7 billion pounds, was down 81 million pounds (-0.7%) from October 2000. The October revision represented a decrease of 0.4% or 53 million pounds from last month's preliminary production estimate. Production per cow in the 20 major States averaged 1,480 pounds for November, 21 pounds (1.4%) above November 2000. The number of cows on farms in the 20 major States was 7.73 million head, 78,000 head less (-1.0%) than November 2000, but 8,000 head more than October 2001

JULY MAILBOX MILK PRICES (DAIRY PROGRAMS): In July 2001, mailbox milk prices for selected reporting areas in Federal milk orders averaged $15.92 per cwt., $.03 less than the figure for the previous month. In July 2000, the Federal milk order all-market average mailbox price was $12.38, $3.54 lower.

OCTOBER FLUID MILK SALES (AMS, CDFA): During October, about 4.5 billion pounds of packaged fluid milk products were sold in Federal milk order (FMO) marketing areas and California. This was 0.6% higher than October 2000. Cumulative annual sales total 42.5 billion pounds, down 0.5% from the comparable period in 2000.

NOVEMBER FEDERAL MILK ORDER PRICE AND POOL SUMMARY (DAIRY PROGRAMS): During November, about 10.0 billion pounds of milk were received from producers. This volume of milk is 9.0% higher than the November 2000 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +5.6%.) About 4.0 billion pounds of producer milk were used in Class I products, 0.3% higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2001 as compared to 2000. The all-market average Class utilization percentages were; Class I = 40%, Class II = 10%, Class III = 43%, and Class IV = 7%. The weighted average statistical uniform price was $14.19 per cwt., $1.26 lower than last month, and $2.08 higher than last year.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS): Under the Federal milk order pricing system, the base price for Class I milk for January 2002 is $11.96. This price is derived from the advanced Class III skim milk pricing factor of $7.34 and the advanced butterfat pricing factor of $1.3939 per pound. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for January 2002 is $7.74 and the Class II nonfat solids price is $0.8600 per pound. The following are the two-week product price averages: butter $1.2580, nonfat dry milk $0.9222, cheese $1.2895, and dry whey $0.2902.

*****SPECIALS THIS ISSUE*****

CHICAGO MERCANTILE EXCHANGE
CASH TRADING

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY DECEMBER 17	TUESDAY DECEMBER 18	WEDNESDAY DECEMBER 19	THURSDAY DECEMBER 20	FRIDAY DECEMBER 21	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	$1.2650 (N.C.)	$1.2650 (N.C.)	$1.2700 (+.0050)	$1.2700 (N.C.)	$1.2700 (N.C.)	(+.0050)	$1.2680 (+.0270)
40# BLOCKS	$1.2300 (N.C.)	$1.2300 (N.C.)	$1.2850 (+.0550)	$1.3000 (+.0150)	$1.3000 (N.C.)	(+.0700)	$1.2690 (+.0530)
BUTTER							
GRADE AA	$1.2750 (+.0225)	——	$1.3075 (+.0325)	——	$1.3600 (+.0525)	(+.1075)	$1.3142 (+.0750)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is $.9900 and Grade A price is $1.0000. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, DECEMBER 17, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ $1.2650; OFFERS UNCOVERED: NONE
BUTTER — SALES: 3 CARS GRADE AA: 1 @ $1.2550, 1 @ $1.2725, 1 @ $1.2750; BIDS UNFILLED: 1 CAR GRADE AA @ $1.2650; OFFERS UNCOVERED: NONE

TUESDAY, DECEMBER 18, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ $1.2650; OFFERS UNCOVERED: NONE

WEDNESDAY, DECEMBER 19, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 2 CARS BARRELS @ $1.2700; 3 CARS 40# BLOCKS: 1 @ $1.2850, 1 @ $1.2800, 1 @ $1.2400; OFFERS UNCOVERED: NONE
BUTTER — SALES: 4 CARS GRADE AA: 2 @ $1.2925, 2 @ $1.3025; BIDS UNFILLED: 1 CAR GRADE AA @ $1.3075; OFFERS UNCOVERED: NONE

THURSDAY, DECEMBER 20, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ $1.2700; 1 CAR 40# BLOCKS @ $1.3000; OFFERS UNCOVERED: NONE

FRIDAY, DECEMBER 21, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
BUTTER — SALES: 8 CARS GRADE AA: 1 @ $1.3200, 1 @ $1.3250, 1 @ $1.3500, 1 @ $1.3525, 2 @ $1.3575, 2 @ $1.3550; BIDS UNFILLED: 7 CARS GRADE AA: 1 @ $1.3600, 1 @ $1.3550, 4 @ $1.3500, 1 @ $1.3075; OFFERS UNCOVERED: NONE

BUTTER MARKETS

NORTHEAST

The market tone remains weak. However, the butter price at the CME has moved higher during the last three trading sessions, ending December 17. During those sessions, the price jump (a total of five cents) has some contacts a little surprised. With most holiday orders already in the retail channels and food service orders steady, contacts ask why are prices advancing at a time when butter production typically increases. Reports indicate that there is no shortage of bulk butter and any needs are easily filled. At the CME, the price is being bid higher which indicates either a need for butter or that inventory values are being protected. This flurry of bids closely follow a two-week period where nearly all sales were based on offers and uncovered offers were significant. Eastern area churning activity is moderate to heavy. Retail sales are slow to fair and food service orders are steady. Most Christmas needs have been delivered. Distributors are very active this week as most will be closed both Monday and Tuesday next week. Sales of bulk butter, f.o.b. East, are reported in a range of 3.5 – 8.0 cents over the CME price/average.

CENTRAL

Butter markets are firm, although many producers and handlers are questioning how long will firm prices prevail. Many are quite surprised at the firm trend being recorded at the CME cash market. For the most part, butter stocks are reported to be fully available. Most year end holiday orders had been placed and shipped earlier, but some last minute fill-in orders were being processed this week. Producers and handlers are stating that year end holiday orders have been quite strong. Favorable retail prices and scattered feature activity combined for good butter sales since Thanksgiving. Conversations within the butter industry continue to center around if there will be a butter/powder support price tilt in the near future. Many producers speculate that a butter support price of $1.00 or higher will definitely cause a stir in current markets. It has been over 10 years since a support price for butter has been over $1.00. When available, bulk butter for spot sale is selling in a price range of 1 - 3 cents per pound over various pricing basis.

WEST

Demand for butter has perked up somewhat due to the slight upturn in prices over the past few days. Some buyers that still need butter are making purchases before prices increase further. More cream is becoming available to the churns as Class II product production declines seasonally. Churns are generally willing to accept the additional cream. Truck transportation has not been much of a problem this week. Most producers are keeping inventories at low working inventories. Only a very small decline was noted this week on the weekly CME butter stocks report. This is the normal pattern for this late in the year. Current prices for bulk butter range from 3 1/2 cents under to flat market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 38% MOISTURE	NDM	BUTTER	DRY WHEY	MILKFAT CLASS II	MILKFAT ALL CLASSES
DEC 15	1.2929	1.2543	0.9219	1.2225	0.2910	1.6484	1.6282
	7,520,687	8,915,228	21,172,804	2,978,597	10,989,957	915,449	3,316,443

Further data and revisions may be found on the internet at: http://jan.mannlib.cornell.edu/reports/nassr/price/dairy

CHEESE MARKETS

NORTHEAST

Prices are mixed and the market tone unsettled. Prices on process items are fractionally higher while prices on natural items are often 6 cents lower. Production levels are steady in the East, but most manufacturing plants have already been contacted by milk suppliers to see if they have "room" during the holiday period. Cheese makers, at this time, are not overly eager to make cheese and most are sticking to their normal schedules. Demand for cheese is good, but orders at the plant level are slowing. Wholesalers are quite active, making pre-Christmas deliveries. Most distributors will be closed both Christmas Eve and Christmas Day next week and outlets are ordering accordingly. Retail movement is fair and food service orders are holding up nicely.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.2600-1.7300
Cheddar Single Daisies	:	1.2175-1.6775
Cheddar 40# Block	:	1.3575-1.5375
Process 5# Loaf	:	1.4500-1.6125
Process 5# Sliced	:	1.4700-1.7275
Muenster	:	1.4200-1.6275
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market continues unsettled. In recent Chicago Mercantile Exchange cash cheese sessions, barrel prices have been higher than blocks, an infrequent and usually short lived event. Some of the tightness in barrels is attributed to plants shifting production from barrels when the spread widened well beyond the normal 3 – 4 cent area. Natural interest generally remains stronger than process, though a couple exceptions are noted. Mozzarella supplies are becoming somewhat more available. With many packaging and processing operations closed for an extra day or two during the yearend holiday period, bulk cheese needs may be lower. More than a couple cutters have been operating on extended schedules in order to build finished product inventory or fill orders. Delivery schedules are also interrupted during the holidays as well as buyers managing yearend inventory levels. Milk receipts are steady to occasionally higher. Cheese yields remain seasonally good. As schools close for the yearend holidays, additional milk supplies are expected to be available for cheese manufacturing.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.5150-1.7100
Brick And/Or Muenster 5#	:	1.6900-1.7775
Cheddar 40# Block	:	1.5975-2.1150
Monterey Jack 10#	:	1.8100-2.1150
Blue 5#	:	1.9675-2.3500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5575-2.2150
Grade A Swiss Cuts 6 - 9#	:	1.9675-2.6900

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	DECEMBER 17 - 21, 2001
BARRELS*	:	$1.2500 - 1.2750 (NOMINAL)
	:	($.0250) (.0250)
40# BLOCKS	:	$1.2450 - 1.2650 (NOMINAL)
	:	(-$.0150) (-.0500)

( ) Change from previous week. * If steel, barrel returned.

WEST

Some weakness is noted in the market this week based on the CME cash market average from last week. The market is recovering somewhat though prices seem volatile in both directions. Demand for current cheese remains strong. Buyers continue to need product sooner rather than later. Offerings of cheese remain on the light side. Most plants will have no problems processing additional milk supplies over the end of the year holidays. Transportation issues are minimal this week, but are expected to be more of a problem for the light volumes moving next week. Most operations are pleased with the Swiss cheese sales activity for the holiday season. Production is expected to be heavier in 2002. Mozzarella continues to move well.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.3950-1.6550
Cheddar 40# Block	:	1.3350-1.4975
Cheddar 10# Cuts	:	1.5150-1.7350
Monterey Jack 10#	:	1.5250-1.6850
Grade A Swiss Cuts 6 - 9#	:	2.3600-2.5300

FOREIGN

Prices are generally six cents lower on domestic styles, unchanged on imported. The market tone is seasonally strong. Typically, sales of imported cheese peak during the holidays with traditional holiday cheeses in the best demand. Supplies range from light to adequate. Some soft-ripened varieties are in the tightest supply. Importers are planning early year purchases, after new licenses are in effect.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	NEW YORK	
VARIETY	IMPORTED	DOMESTIC
Roquefort	TFEWR	-0-
Blue	2.6400-3.1400	1.5625-3.0575*
Gorgonzola	3.2400-5.9400	2.0625-2.4900*
Parmesan (Italy)	TFEWR	2.9800-3.0325*
Romano (Italy)	2.1000-2.9900	-0-
Provolone (Italy)	3.4400-5.5000	1.5700-1.7900*
Romano (Cows Milk)	-0-	2.7500-4.9300*
Sardo Romano (Argentine)	2.6500-3.2900	-0-
Reggianito (Argentine)	2.6500-3.2900	-0-
Jarlsberg-(Brand)	2.7500-3.5900	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	2.2500-2.7500	-0-
Edam		
2 Pound	TFEWR	-0-
4 Pound	2.1900-2.9500	-0-
Gouda, Large	2.3900-2.6800	-0-
Gouda, Baby ($/Dozen)		
10 Ounce	27.8000-31.7000	-0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
12/17/01	11,281	115,486
12/01/01	12,037	119,471
CHANGE	-756	-3,985
% CHANGE	-6	-3

FLUID MILK AND CREAM

EAST

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	23	0	110	0	0	128
SOUTHEAST STATES	0	0	0	0	0	0

Regional Milk Market Administrators announced the following, November 2001 uniform prices: Northeast $15.28, Mideast $13.79, Southeast $16.20, Florida $18.59, and Western New York (a state order) $14.77 at the base cities/ counties in the orders. (For the Northeast, Mideast, and Western New York orders, statistical uniform prices are reported.) During November, milk production in the 20 major states totaled 11.44 billion pounds, up 0.4% from October 2000. The following are the November-to-November changes for selected states: New York +4.3%, Virginia –0.7%, Pennsylvania –0.9%, Vermont –2.3%, Florida –3.7%, Kentucky –3.8%, and Texas –7.8%. Milk production continues to increase, albeit slowly, in most of the region. We seem to be in the traditional Christmas/New Years' scenario. Milk supplies are long and most manufacturers are gearing up for a heavy period of operation. In fact, it is already happening in most areas. Not all plants are up, but most of the Southeast's balancing plants will be operating by week's end. Milk that normally moves into the Southeast "is staying home" and Northeastern plants are receiving more surplus milk to process. These plants are often "nearby" plants, but these plant intakes are having a ripple effect on the more northern plants that find themselves with milk to clear. Contacts feel that this could be one of the busiest holiday seasons in a long time. Bottled milk sales are just steady. Should holiday patterns be followed, bottling will be heavier going into the weekend and then "hit the skids" during the weekend. The condensed skim market is little changed, but offerings are heavier and more producers are unable to clear all their solids as a liquid and dryers are being fired up. The fluid cream market is weaker. Supplies are growing as many ice cream plants are winding up operations until after the holidays. This extra cream is looking for a home and it has rapidly turned into a buyers market. Butter makers are offering lower multiples based on date of shipment. Also, we have entered the type of market where some churners are not willing to take cream unless the price is based on a post-Christmas CME butter price. Bottled cream production is improved slightly, but still lagging expected levels. Egg nog output is about at peak levels as most orders should be in stores this week. Churning activity is heavier.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, $ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.5366-1.6853
DELIVERED EQUIVALENT ATLANTA	-	1.5242-1.6977 M 1.5614-1.6357
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.4870-1.7101

PRICES OF CONDENSED SKIM, $ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:

NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	-	1.0000-1.0800
NORTHEAST- CLASS III - SPOT PRICES	-	.9800-1.0600

MIDWEST

Class I demand is very good and current handler expectations are that bottlers will remain active at least through Friday (12/21). Many bottlers will close for an extra day next week for the holiday observance, which will reduce their fluid requirements. Fairly widespread feature activity on eggnog, bottled milk, as well as dips, sour and whipped cream have helped move extra fluid supplies before the holiday. Institutional needs are expected to be lighter as schools close until early 2002. Cream interest was definitely better earlier in the week than later as more churning is occurring. Cream prices are on a light test. Many ice cream operations close the last week or two of the year for vacation. Manufacturing milk demand has been fairly steady ahead of the holidays, though negative premiums are being offered on spot milk offerings over the holiday weekend. Many plants covered much of their anticipated spot needs capacity left. Some manufacturers are trying to close one or two days for the holiday, which also limits their needs. Plant milk intakes are fairly steady with recent weeks. Fat and protein tests on incoming milk are seasonally good. Temperatures have generally remained above normal with snow cover limited. Recent rains and the lack of frost in the ground make jobs such as hauling manure difficult. The initial November milk production in selected Midwestern states compared with November 2000 is: Wisconsin 1.728 billion pounds, down 100 million pounds (-5.5%); Minnesota 690 million pounds, off 48 million pounds (-6.5%); Michigan 456 million pounds, a drop of 4 million pounds (-0.9%); and Iowa 306 million pounds, off 6 million pounds (-1.9%). The combined decline registered by these 4 states is 158 million pounds while the 20 major states total change for November is up 51 million pounds.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	DEC 13 - 19	PREVIOUS YEAR
SLAUGHTER COWS	$ 33.00- 38.50	$ 34.50- 42.00
REPLACEMENT HEIFER CALVES	$450.00-580.00	$235.00-320.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	DEC 13 - 19	PREVIOUS YEAR
SLAUGHTER COWS	$ 32.50- 44.00	$ 32.00- 47.25

WEST

U.S. milk production in the 20 surveyed states totals 11.4 billion pounds for November, up 0.4% from November 2000. This marks the first month this year that milk production was higher than last year. However, output versus a year ago was lower in 13 of the 20 states. November output for selected Western states compared to last year is as follows: Arizona +6.5%, California +5.2%, Idaho +7.4%, New Mexico +13.1%, and Washington +0.5%. Milk cows increased 92,000 head over year ago numbers in these five states. California milk production continues to outpace year ago levels, but weather conditions in areas have literally dampened growth. Rains in Southern California are keeping milk output stagnant. Seasonal rains, winds, and cooler temperatures in the Central Valley are creating the typical problems for milk cows. Processing plants in the state are expecting no adverse conditions through the year-end. Schedules are being adjusted for some plants to take an extra day off. Fluid orders have slowed from educational institutions but picked up from supermarkets. Milk production in New Mexico is flowing at levels well above year ago levels due in a big part to the increase in cow numbers in the state. Recent weather conditions and the length of time cows have been in milk have affected milk output per cow. With the exception of alfalfa, quality feedstuffs are available and affordable. The effects of recent rains are still being felt at the farm level in Arizona. Wet and muddy lots are creating some problems and milk output is being affected to a limited extent. Milk volumes entering the processing plants are running higher than a year ago. Processors are expecting no problems handling milk over the year-end holidays. Western cream multiples are a little weaker on the top end of the 110 to 130 multiple range, FOB. The higher butter price and the increase in offerings later in the week and weekend are pressuring multiples lower. Traditional holiday bargains are being noted, but buys are not as good as in past years, at least not yet. Most Western manufacturing plants are expecting additional supplies of milk over the upcoming holiday weekend periods. Most are commenting that they don't expect any problems handling the additional supplies. The question is more centered on do they really want/need the milk this late in the year. Some herd health issues are beginning to show up in the Pacific Northwest. These are related to the ongoing wet conditions raising SCC scores. This is not a surprise considering the amount of rainfall recorded recently. Much colder weather is common over northern Utah and southern Idaho. The weather stress may be having a slight impact on milk production. The more noticeable impact is the increase in hay consumption. With prices high and stocks tight, hay buyers are wondering if they have enough to last until spring.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 12/20/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged and nominal on a mostly steady market. Stocks are in better balance than the week prior as increased production alleviated any supply shortages. Milk intakes are anticipated to increase over the holidays, encouraging heavy NDM production. Trading activity is light as buyers continue to purchase only as needed to avoid heavy year-end stocks. A possible tilt change remains an issue with most of the trade, especially as contracts are settled for 2002. In addition, new interest is emerging as some traders and end-users attempt to contract with Central producers instead of large Western suppliers.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK:	.9450 - .9700	MOSTLY:	.9450 - .9700

DRY BUTTERMILK - CENTRAL

Prices are unchanged to lower on a weak market. While brand specific producers continue to report spot sales at the higher end of the range, most trading is occurring at 0.9700 – 1.0000. Some bids are below the range as buyers anticipate a weaker market in light of increasing production and a potential tilt change. Producers are not sure where supply or price will settle in the new year and are therefore not readily clearing total available stocks. However, condensed supplies are heavy with some product being moved to seasonal dryers instead of end-users or internal dryers.

BUTTERMILK:	.9700 - 1.1150

DRY WHEY - CENTRAL

Prices are unchanged and the market tone is steady to somewhat weak. Many plants continue to report tight supplies and a sold out position. However, offers are being made to traders at 1/4 – 1/2 cent below the average with some unconfirmed sales to feed users. Production is mostly steady with higher output anticipated over the holidays. Most movement continues to occur domestically as export markets are generally resistant to the current market. Inquiries are light as most buyers are keeping inventories light through the end of the year. Contractual movement is generally steady.

NONHYGROSCOPIC:	.2950 - .3075	MOSTLY:	.2950 - .3000

ANIMAL FEED WHEY – CENTRAL

Prices are unchanged on a steady market. Movement into feed markets is generally on a contractual basis as buyers balance inventories for the year- end. Milk replacer supplies are mostly in balance with lighter production than the week prior. Roller ground production is increasing with export interest slowing at the current market price. Delactose supplies remain tight for the good interest. Most delactose manufacturers are contracted for 2002 and unable to satisfy the growing interest from both feed and food sectors. Early weaned pig prices are steady to higher while veal demand is fair at best.

MILK REPLACER:	.2600 - .2800
ROLLER GROUND:	.2825 - .2950
DELACTOSE (Min. 20% protein):	.4150 - .4300

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a firm market. Based on current contractual negotiations, the range of prices for 2002 is generally unchanged with notable increases at some locations of 1/4 – 1 cent higher. Production is steady to lighter in areas with some production increases anticipated over the holidays. Asian interest continues strong yet Asian buyers are generally price resistant. Therefore, contractual negotiations into some Asian markets are progressing very slowly. Some candy and feed operations are requesting manufacturers to make bids on allotments of lactose required in the new year. However, most plants are sold out or tight in supply and are not participating in the option. Permeate supplies and off grade product are limited for the good interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE:	.2000 - .2675	MOSTLY:	.2050 - .2300

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to lower on a weak market. Manufacturer offers are less notable compared to the week prior. Trading activity is slow as the end of the year approaches and buyers await news of the CCC sell back and potential tilt changes. Production is mostly steady yet stocks are building at some locations. Export activity is light and resale offering prices are generally trending lower. Contract negotiations for 2002 are progressing very slowly with some contracts negotiated at lower prices compared to 2001, especially into the feed sector. However, food and nutraceutical demand and pricing are generally unchanged. Off grade supplies are increasing and remain plentiful for the light to fair demand.

EXTRA GRADE 34% PROTEIN:	.6500 - .7400	MOSTLY:	.6800 - .7200

NONFAT DRY MILK - WEST

Nonfat dry milk prices are unchanged in light pre-holiday trading. The market tone remains weak and highly unsettled. The cloud of a possible tilt in the support prices that would lower NDM prices is very evident in the market behavior of both buyers and sellers. Buyers are only taking contract loads and spot loads are kept to immediate needs. There is hesitation in contracting volumes for next year. Producers continue to G-bag any excess NDM to potentially offer to the support program. DEIP sales are fair and several more contracts have been negotiated. Production is expected to be heavier over the next two weeks, but at manageable levels. Stocks are most often heavier than desired. During the period of December 10 – 14, CCC adjusted purchases totaled 1,919,852 pounds of Western NDM under the price support program. No price changes are noted for high heat NDM. Buying interest has slowed entering the year-end.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	.8950 - 1.0250	MOSTLY:	.9000 - .9375
HIGH HEAT:	.9550 - 1.0200		

DRY BUTTERMILK - WEST

The dry buttermilk prices are unchanged, but unsettledness has developed for the market tone. Production is higher where churning has increased and is expected to increase further over the next two, holiday weeks. Drying time should be available to process buttermilk. Demand has hit a lull due to year-end and holiday shipping considerations. Buyers are aware of a possible NDM support price change. The concern is that a lower NDM price could erode dry buttermilk pricing. In addition, dry buttermilk is available from resellers. Producers' inventories are light to moderate.

BUTTERMILK:	1.0300 - 1.0750	MOSTLY:	1.0300 - 1.0400

DRY WHEY – WEST

Prices continue to weaken for Western whey powder. The weakness is stemming from slower export sales activity. International buyers are much more price resistant and they continue to search for other sources of powder and for substitutes. Firms that rely on export sales for the majority of their business are not readily able to clear all of their production at this time. Therefore, some are reducing prices to stimulate export sales or to take away domestic business from other firms. Production is expected to increase for the next two weeks as more surplus milk becomes available because of the holidays.

NONHYGROSCOPIC:	.2400 - .2900	MOSTLY:	.2500 - .2725

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS	CCC SALES @ Support
December 14	$.9122	13,142,540	5,174,042
December 7	$.9154	9,967,255	4,570,724

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are steady and the market tone seems to be showing some signs of weakness. Eastern prices remain nominal. Producers have already stepped up drying schedules and more surplus milk is expected during the next 10-14 days. Contacts indicate that this year's holiday milk supply could be the heaviest in several years, but few expect any problems clearing it. Some of the additional production is welcomed as producer stocks have been light, but the possibility of a support price tilt change has most producers concerned. Should a tilt occur, inventory values would drop. It has been noted that some Eastern dryers are already packaging in G-bags for possible offer to CCC at the current, 90-cent support price. Demand is termed as fairly brisk, but spot sales are slowing or being delayed until after the new year. With all the conversations about a tilt change, buyers are very cautious about purchasing.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:		
LOW/MEDIUM HEAT:	.9525 - .9900	MOSTLY: .9575 - .9700
HIGH HEAT:	.9800 - 1.0100	MOSTLY: .9850 - 1.0100
DELVD SOUTHEAST:		
ALL HEATS:	.9400 - 1.0200	

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Eastern prices remain nominal. Reports of off grade powder being offered in the mid-90's are common and there are reports of increased availability from other regions. Production levels are increasing as more churning is taking place this week. Producer stocks are up slightly, but still light. Few producers have more than a load or two on hand. Most butter/powder plants expect to be quite busy this holiday season. Overall demand is fair as buyers try to enter the new year with light inventories. Spot interest is a little slow as users try to keep year-end inventories to a minimum.

F.O.B. NORTHEAST:	1.0000 - 1.0500
DELVD SOUTHEAST:	1.0400 - 1.0950

DRY WHOLE MILK - NATIONAL

Prices are nominal and mixed, often lower as producers react to the lower butter price. The dry whole milk price changes were made prior to the recent run-up on the butter price at the CME. Production levels are light and producer stocks are closely balanced. Demand is mostly contractual. World prices for dry whole milk are decreasing which makes exporting more difficult.

F.O.B. PRODUCING PLANT:	1.1700 - 1.2700

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2001 THROUGH DECEMBER 14, 2001
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	15,408	MT (33,968,476 LBS)
CHANGE	--	6,679	MT (14,724,523 LBS)
CHEESE	--	3,030	MT (6,679,938 LBS)

This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2001: Nonfat dry milk -- 68,201 MT; Cheese -- 3,030 MT; Butterfat -- 21,097 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged and Eastern prices remain nominal. Production levels are steady at most Eastern drying plants, but more surplus milk is available to those plants that want it. Most Eastern cheese makers seem to be already running at desired levels and few have much interest in taking additional milk. Eastern producers have little or no product on hand for spot sale. Demand, particularly contracts continue to clear current output. Traders report an increase in orders for dry whey, but nearly all are for delivery early in January. Also, many traders have little or no inventory going into the new year. Many feel that prices will ease lower early in 2002 when they think more product will be made. However, producers are contracting for next year and many expect lower output. Some are reducing the number or size of 2002 contracts based on those expectations. This is cause for concern by those buyers who had contracts for 2001 and now have lower volumes or none at all for 2002. Conversely, other contacts feel that whey prices will be hard pressed to hold at this year's levels and may look to "play" the spot market for a larger portion of their 2002 needs.

F.O.B. NORTHEAST:	EXTRA GRADE	.2925 - .3025
	USPH GRADE A	.3000 - .3125
DELVD SOUTHEAST:		.3175 - .3325

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are about steady, but more surplus and, at times, lower priced milk is available in many parts of the country. Producers may take advantage of some of this milk to start replenishing inventories. Demand is slower as most holiday orders are in stores. Buyers are looking ahead to first quarter needs and negotiating contracts.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES $19.00 - 33.00
Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets are mixed, although the undertone is weak. Stocks of rennet are in the tightest position with acid supplies more available. Reports indicate that first quarter contracted prices will be lower. World economic conditions and an overall weak tone to international dairy markets are two factors importers and buyers are attributing to lower prices in the new year.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	2.4000 - 2.7300
ACID:	2.4500 - 2.6500

CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

CME - (CLASS III) MILK FUTURES -- Dollars per cwt.

Month	12/04	12/05	12/06	12/07	12/10	12/11	12/12	12/13	12/14	12/17	12/18
DEC 01	11.74 (1953) 22	11.60 (1951) 4	11.60 (1943) 6	11.70 (1943) 7	11.63 (1941) 13	11.60 (1939) 1	11.60 (1962) 29	11.68 (1974) 31	11.75 (1977) 67	11.75 (1976) 11	11.79 (1976) 1
JAN 02	11.65 (1067) 70	11.40 (1075) 27	11.40 (1078) 10	11.50 (1073) 40	11.34 (1119) 46	11.25 (1110) 19	11.27 (1111) 5	11.35 (1114) 37	11.48 (1131) 33	11.38 (1127) 14	11.60 (1157) 74
FEB 02	11.62 (951) 29	11.47 (968) 44	11.47 (967) 9	11.50 (986) 45	11.40 (1017) 58	11.30 (1004) 33	11.40 (994) 22	11.50 (1014) 64	11.61 (1041) 57	11.50 (1044) 49	11.79 (1082) 84
MAR 02	11.80 (867) 22	11.60 (900) 44	11.59 (913) 28	11.65 (935) 32	11.55 (951) 37	11.55 (951) 14	11.60 (949) 16	11.70 (955) 31	11.85 (958) 25	11.75 (976) 50	11.90 (969) 57
APR 02	11.95 (792) 32	11.78 (828) 45	11.82 (826) 8	11.87 (839) 30	11.82 (861) 18	11.83 (861) 33	11.86 (865) 6	11.90 (863) 25	11.91 (872) 28	11.80 (900) 39	11.95 (907) 20
MAY 02	11.91 (630) 23	11.81 (637) 11	11.86 (637) 9	11.90 (649) 39	11.86 (677) 23	11.86 (687) 36	11.89 (694) 10	11.98 (691) 13	11.99 (703) 26	11.85 (733) 40	11.98 (746) 20
JUN 02	12.25 (676) 1	12.25 (688) 14	12.30 (688) 4	12.35 (692) 9	12.35 (733) 45	12.40 (742) 31	12.41 (743) 1	12.42 (743) 1	12.42 (761) 26	12.35 (795) 43	12.45 (807) 16
JUL 02	13.03 (540) 40	13.03 (545) 20	13.05 (552) 25	13.12 (557) 16	13.12 (562) 27	13.15 (564) 4	13.15 (573) 15	13.15 (576) 4	13.15 (592) 27	13.15 (599) 15	13.16 (637) 54
AUG 02	13.05 (442) 13	13.05 (461) 24	13.11 (467) 8	13.17 (468) 12	13.17 (478) 34	13.17 (490) 14	13.20 (501) 13	13.21 (503) 2	13.21 (516) 22	13.21 (519) 11	13.24 (529) 27
SEP 02	13.08 (397) 11	13.10 (411) 20	13.13 (415) 7	13.21 (439) 41	13.21 (457) 28	13.23 (461) 6	13.26 (470) 9	13.26 (471) 3	13.28 (478) 19	13.28 (485) 13	13.31 (512) 38
OCT 02	12.68 (332) 15	12.68 (339) 10	12.70 (349) 10	12.70 (355) 12	12.73 (364) 20	12.76 (371) 11	12.80 (371) 2	12.80 (371) 0	12.80 (375) 9	12.81 (375) 0	12.84 (382) 8
NOV 02	12.40 (200) 16	12.40 (197) 7	12.40 (199) 3	12.45 (203) 10	12.46 (202) 10	12.50 (206) 5	12.50 (208) 2	12.48 (209) 1	12.48 (215) 13	12.55 (215) 4	12.55 (224) 9
DEC 02	12.30 (188) 11	12.30 (186) 1	12.30 (188) 4	12.30 (190) 6	12.30 (189) 10	12.35 (193) 3	12.40 (196) 3	12.36 (196) 0	12.36 (200) 8	12.40 (203) 3	12.44 (210) 13

CME - CLASS IV MILK FUTURES - Dollars per cwt.

Month	12/04	12/05	12/06	12/07	12/10	12/11	12/12	12/13	12/14	12/17	12/18
DEC 01	11.95 (209) 0	11.95 (209) 0	11.95 (209) 0	11.90 (209) 0	11.90 (209) 0	11.90 (209) 0	11.90 (209) 0	11.90 (209) 0	11.90 (209) 0	11.90 (209) 0	11.90 (207) 0
JAN 02	11.90 (114) 0	11.90 (114) 0	11.90 (114) 0	11.90 (114) 0	11.90 (114) 0	11.90 (114) 0	11.90 (114) 0	11.90 (114) 0	11.90 (114) 0	11.90 (114) 0	11.95 (114) 0
FEB 02	11.95 (117) 0	11.95 (117) 0	11.95 (117) 0	11.95 (117) 0	11.95 (117) 0	11.95 (117) 0	11.95 (117) 0	11.95 (117) 0	11.95 (117) 0	11.95 (117) 0	11.95 (117) 0
MAR 02	12.02 (90) 0	12.02 (90) 0	12.02 (97) 7	11.98 (102) 5	12.00 (102) 0	12.00 (102) 0	12.00 (102) 0	12.00 (102) 0	12.00 (102) 0	12.01 (115) 17	12.05 (115) 0
APR 02	12.25 (113) 0	12.25 (113) 0	12.25 (122) 9	12.21 (124) 2	12.17 (124) 0	12.17 (124) 0	12.17 (124) 0	12.17 (124) 0	12.17 (124) 0	12.17 (124) 0	12.17 (124) 0
MAY 02	12.45 (121) 0	12.45 (121) 0	12.45 (126) 5	12.45 (126) 0	12.45 (126) 0	12.45 (131) 5	12.45 (131) 0	12.45 (131) 0	12.45 (131) 0	12.45 (136) 5	12.45 (136) 0

CME - BUTTER FUTURES -- Cents per pound

Month	12/04	12/05	12/06	12/07	12/10	12/11	12/12	12/13	12/14	12/17	12/18
DEC 01	125.00 (36) 2	122.50 (38) 2	122.50 (39) 1	122.50 (39) 1	122.00 (34) 3	123.00 (18) 0	124.00 (18) 0	127.00 (18) 0	127.00 (12) 4	127.00 (12) 0	130.00 (12) 0
MAR 02	136.00 (56) 4	135.50 (56) 0	135.50 (57) 2	135.50 (60) 3	135.12 (61) 0	137.00 (61) 0	137.00 (61) 0	137.00 (62) 2	138.00 (65) 3	139.00 (66) 2	141.00 (66) 1
MAY 02	140.00 (26) 0	140.00 (26) 0	140.00 (26) 0	140.00 (26) 0	140.00 (26) 0	140.02 (26) 0	140.02 (26) 0	140.02 (27) 3	140.00 (27) 0	141.00 (27) 0	141.00 (27) 0
JUL 02	144.00 (13) 0	144.00 (13) 0	144.00 (19) 7	143.00 (19) 0	143.00 (19) 0	143.00 (19) 0	143.00 (19) 0	144.50 (21) 2	145.25 (23) 2	145.50 (25) 2	148.00 (25) 0

CME - NONFAT DRY MILK FUTURES -- Cents per pound

Month	12/04	12/05	12/06	12/07	12/10	12/11	12/12	12/13	12/14	12/17	12/18
DEC 01	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	93.00 (6) 0	92.97 (6) 0	92.97 (6) 0

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered December 10 - 21, 2001

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

WESTERN EUROPE OVERVIEW: Milk production trends are seasonally low, although reports indicate that overall milk volumes are about 1% ahead of last year at this time. Milk production is positive in most Western European countries, but steady to lower in France and Germany. Following the foot and mouth disease situation earlier this year in the UK, milk production trends are quite positive in that country as the calendar year comes to a close. Milk handlers are indicating that much of the surplus milk during the upcoming holiday period will be directed toward butter/powder and whole milk powder production versus cheese. European traders are finding that the most recent export refund adjustment is having little impact on international powder sales. Traders indicate that new sales activity is quite limited although inquiries are occurring for first and second quarter next year. Powder producers continue to look toward late January when skim powder production, destined for intervention offering, can once again resume. Many producers, handlers, and traders are optimistic that early in 2002, the current weak market tone for dairy products will stabilize and hopefully strengthen what has been lost over recent weeks. Stocks of European dairy products are reported to be available. Producers indicate that stocks will be further enhanced by production that occurred during the year end holiday period.

BUTTER/BUTTEROIL: Butter markets are generally steady at unchanged prices. Of all of the manufactured dairy product markets, butter is probably the most stable. Stocks of butter are sufficient to meet domestic and slow international buyer interest with surplus volumes entering intervention in those countries for which the program is open. Intervention is providing an opportunity to clear unsold butter versus discounting butter further to clear internationally.

82% BUTTERFAT:	1,100 - 1,250
99% BUTTERFAT:	1,300 - 1,400

SKIM MILK POWDER (SMP): Skim milk powder markets remain weak as prices are unchanged to generally lower. The recent export refund adjustment is having impact on international at this time. Traders indicate that it is still too early to fully realize what this second adjustment in a month may have on sales activity. Traders also state that current market activity is centering around shipments from orders previously placed with no significant activity expected until the new year at the earliest. Most feel that the powder market is on the verge of stabilizing, especially once powder production for intervention offering resumes in late January.

1.25% BUTTERFAT:	1,600 - 1,700

WHOLE MILK POWDER (WMP): Whole milk powder markets are weak with prices generally lower. Late last week, the EU Commission adjusted export refunds for the second time with the month. This move was attributed to the weak international prices that are occurring at this time. Although this move has done little to encourage sales activity, some traders feel that another adjustment might need to occur early in the new year. Stocks of powder are reported to be available. Producers and handlers feel that stocks may be further enhanced during the upcoming holiday period when surplus milk volumes, in the past being directed toward cheese production will be redirected toward butter/powder or whole milk powder production.

26% BUTTERFAT:	1,600 - 1,650

SWEET WHEY POWDER: Whey powder markets are generally steady at unchanged prices. Overall whey stocks are reported to be available for buyer interest, although most European prices are higher than buyers are willing to pay. Cheese production has been quite favorable for most of the year in Europe, but recently is edging lower, with milk being directed toward other manufactured dairy products versus cheese.

NONHYGROSCOPIC:	525 - 625

EASTERN EUROPE OVERVIEW: Milk production patterns in Eastern Europe are not as positive as in Western Europe, although producers and handlers are optimistic about the upcoming production season. Stocks of manufactured dairy products are reported to be sufficient for current buyer interest. Reports indicate that significant volumes of product are being delivered into the international market from this region of Europe. A clear picture of inventory levels in this part of Europe is not available, although producers and handlers continue to state that product is available for future sale.

OCEANIA

OVERVIEW: Milk production patterns in Oceania continue to edge seasonally lower, although the decline is gradual. At this point in New Zealand, milk production reports are indicating a 3% increase over last season. Overall favorable weather patterns are being reported in New Zealand, although more rainfall than usual has occurred during the first half of December. December and January are crucial months in New Zealand's milk production cycle and will determine how the season finishes. In Australia's main milk production areas, temperatures during the first half of the month were cooler than usual for this time of the year. By mid month, temperatures warmed back to typical levels. Milk handlers are unsure what impact these conditions will have on milk receipt reports. At this point in their milk production season, reports indicated that milk volumes are 1 – 2% heavier than last year. Although the increase is not significant in comparison to previous years, milk handlers are pleased with the increase versus the declines of last season. Overall prices for manufactured dairy products, destined for export, are lower. Another export refund adjustment in Europe continues to put downward price pressure on Oceania skim and whole milk powder markets. Sales activity out of the Oceania region continues to center around regular and ongoing buyer needs. Shipments will continue out of the region over the upcoming holiday period, but no significant new buyer interest is anticipated during this time period. Buyers that have been in the market are looking into the first and second quarters of 2002. Oceania traders indicate that international sales have been quite slow. Traders speculate that the absence of buyers indicates that most must have been managing their stocks most efficiently, but should be returning to the market in the near future. Economic conditions in many buying countries are also factors attributed to slower international sales by many traders.

BUTTER: Oceania butter markets continue to feel the pressure of lower prices elsewhere in the world. Butter prices are unchanged to lower, although the market is not as unsettled as other manufactured dairy products. Stocks of butter in the Oceania region are sufficient to maintain shipments for commitments, although significant uncommitted inventories are not being reported. Traders indicate that shipments are occurring to regular customers with this type of activity anticipated into the new year.

82% BUTTERFAT:	1,100 - 1,200

CHEDDAR CHEESE: Cheese markets are generally steady, although weakness in other manufactured dairy product markets are pressuring cheese prices to edge slightly lower. Stocks of cheese are readily available for current and ongoing buyer interest. Most current sales are to regular customers with these markets anticipated to absorb a significant portion of current and future production.

39% MAXIMUM MOISTURE:	2,050 - 2,150

SKIM MILK POWDER (SMP): Skim milk powder markets are weak with prices unchanged to generally lower. Another export refund adjustment in Europe continues to put downward pressure on Oceania produced skim milk powder markets. International buyer interest is slow. Oceania traders are optimistic and feel that market conditions will be stabilizing and hopefully firm during the first quarter of the new year. Stocks of powder are sufficient for current needs.

1.25% BUTTERFAT:	1,600 - 1,750

WHOLE MILK POWDER (WMP): Whole milk powder markets are weak. Another export refund adjustment in Europe is pressuring Oceania prices lower. International sales are slow and unaggressive. Oceania traders are stating that most sales occurred earlier in the month for the balance of December with current inquiries occurring for first and second quarter needs.

26% BUTTERFAT:	1,575 - 1,750

Exchange rates for selected foreign currencies: DECEMBER 17, 2001

.4094 Dutch Guilder	.4613 German Mark
.1375 French Franc	.4094 New Zealand Dollar
.1097 Mexican Peso	.5174 Australian Dollar
1.4584 British Pound	.0078 Japanese Yen
.2519 Polish Zloty	.9022 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1097)= 9.1158. That is 1 US Dollar equals 9.1158 Mexican Pesos.
Source: "Wall Street Journal"

NOVEMBER MILK PRODUCTION

Milk production in the 20 major states during November totaled 11.4 billion pounds, up 0.4 percent from November 2000. October revised production, at 11.7 billion pounds, was down 0.7 percent from October 2000. The October revision represented a decrease of 0.4 percent or 53 million pounds from last month's preliminary production estimate.

Production per cow in the 20 major states averaged 1,480 pounds for November, 21 pounds above November 2000.

The number of cows on farms in the 20 major states was 7.73 million head, 78,000 head less than November 2000, but 8,000 head more than October 2001.

NOVEMBER 2001 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	2000	2001	2000	2001	2000	2001	% CHANGE FROM 2000
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	140	140	1,550	1,650	217	231	6.5
CA	1,550	1,611	1,670	1,690	2,589	2,723	5.2
FL	156	152	1,200	1,185	187	180	-3.7
ID	354	369	1,670	1,720	591	635	7.4
IL	118	115	1,390	1,375	164	158	-3.7
IN	148	155	1,320	1,345	195	208	6.7
IA	215	206	1,450	1,485	312	306	-1.9
KY	131	125	1,010	1,015	132	127	-3.8
MI	299	299	1,540	1,525	460	456	-0.9
MN	525	500	1,405	1,380	738	690	-6.5
MO	151	141	1,170	1,080	177	152	-14.1
NM	261	278	1,580	1,675	412	466	13.1
NY	673	670	1,375	1,440	925	965	4.3
OH	264	256	1,325	1,360	350	348	-0.6
PA	616	596	1,425	1,460	878	870	-0.9
TX	345	316	1,225	1,235	423	390	-7.8
VT	158	153	1,380	1,395	218	213	-2.3
VA	119	118	1,270	1,270	151	150	-0.7
WA	248	247	1,765	1,780	438	440	0.5
WI	1,334	1,280	1,370	1,350	1,828	1,728	-5.5
20 STATE TOTAL	7,805	7,727	1,459	1,480	11,385	11,436	0.4

1/ Includes dry cows. Exc ludes heifers not yet fresh.
2/ Excludes milk sucked by calves.

SOURCE: "Milk Production," Da 1-1 (12-01), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

MAILBOX MILK PRICES FOR SELECTED REPORTING AREAS IN FEDERAL MILK ORDERS AND CALIFORNIA, JULY 2001, WITH COMPARISONS

In July 2001, mailbox milk prices for selected reporting areas in Federal milk orders averaged $15.92 per cwt., $.03 less than the figure for the previous month. On an individual reporting area basis, mailbox prices increased in all areas except three and ranged from $18.56 in Florida to $14.91 in New Mexico. In July 2000, the Federal milk order all-market average mailbox price was $12.38, $3.54 lower.

Reporting Area	Mailbox Milk Price 2/					
	February 2001	March 2001	April 2001	May 2001	June 2001	July 2001
	Dollars per hundredweight					
Northeast Federal Milk Order	13.22	14.03	14.37	15.43	16.19	16.30
Appalachian States 3/	14.04	14.65	15.24	15.95	16.41	16.74
Southeast States 4/	14.23	14.79	15.33	16.10	16.82	17.20
Florida	15.90	16.54	17.05	17.69	18.36	18.56
Ohio	12.75	13.80	14.57	15.24	15.94	15.96
Michigan	12.64	13.61	14.23	15.12	15.71	15.75
Wisconsin	12.52	13.55	14.12	15.36	16.05	15.96
Minnesota	12.57	13.45	14.03	15.33	15.90	15.88
Illinois	12.35	13.16	13.73	15.04	16.08	16.05
Northern Missouri 5/	12.15	12.99	13.48	14.61	15.65	15.83
Southern Missouri 6/	12.94	13.69	14.11	15.03	15.77	16.16
Corn Belt States 7/	12.26	13.13	13.72	14.80	15.62	15.73
Western Texas 8/	12.76	13.70	14.17	15.00	15.70	15.70
New Mexico	12.01	12.96	13.47	14.20	14.77	14.91
Idaho	11.46	12.48	13.16	14.19	15.03	15.15
Utah	11.44	12.54	13.05	14.26	14.90	15.04
Northwest States 9/	12.51	13.37	14.02	14.82	15.35	15.37
All Federal Order Areas 10/	12.91	13.79	14.29	15.29	15.95	15.92
California 11/	12.23	12.95	13.71	14.54	15.23	NA

NA = Not Available.

1/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area. 2/ Net pay price received by dairy farmers for milk. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the reporting area and is reported at the average butterfat test. 3/ Includes Kentucky, North Carolina, South Carolina, Tennessee, and Virginia. 4/ Includes Alabama, Arkansas, Georgia, Louisiana, and Mississippi. 5/ All counties to the north of Vernon, Cedar, Polk, Dallas, Laclede, Texas, Dent, Crawford, Washington, St. Francois, and Perry. 6/ The counties listed in 5/ and all those to the south of these. 7/ Includes Iowa, Kansas, and Nebraska. 8/ All counties to the west of Fanin, Hunt, Van Zandt, Henderson, Anderson, Houston, Cherokee, Nacogdoches, and Shelby. 9/ Includes Oregon and Washington. 10/ Weighted average of the information for all selected reporting areas in Federal milk orders. 11/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin."

TOTAL COW SLAUGHTER UNDER FEDERAL INSPECTION, UNITED STATES, 1999 TO 2001
(THOUSAND HEAD)

1999			2000			2001		
Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows
Jan 2	90.6	40.9	Jan 1	89.9	44.3	Jan 6	108.1	55.3
9	119.0	54.5	8	115.7	57.7	13	134.0	65.6
16	128.8	56.1	15	115.5	56.8	20	117.2	57.7
23	122.4	56.6	22	111.1	52.9	27	115.4	57.8
30	112.6	54.3	29	104.6	51.2	Feb 3	112.5	57.0
Feb 6	109.4	54.7	Feb 5	102.5	51.9	10	110.1	55.1
13	111.6	54.0	12	107.2	54.0	17	110.7	54.5
20	105.1	52.5	19	103.8	51.5	24	111.4	54.2
27	104.8	50.4	26	102.8	53.7	Mar 3	110.3	55.7
Mar 6	107.4	51.2	Mar 4	101.8	55.6	10	111.5	55.7
13	102.9	49.1	11	102.2	55.1	17	110.8	55.3
20	103.5	49.3	18	99.5	53.9	24	109.7	54.6
27	113.5	52.3	25	101.7	54.6	31	109.6	52.8
Apr 3	102.3	47.7	Apr 1	100.0	52.3	Apr 7	102.2	50.8
10	99.1	47.6	8	97.5	48.8	14	95.0	47.0
17	104.3	48.2	15	99.3	48.8	21	102.6	47.7
24	105.2	47.1	22	97.9	47.8	28	110.7	49.3
May 1	103.1	47.2	29	98.1	46.7	May 5	107.9	47.1
8	103.2	44.3	May 6	101.3	47.2	12	106.4	47.2
15	108.7	46.2	13	103.1	46.8	19	105.8	44.8
22	112.5	47.3	20	104.0	46.5	26	109.6	46.3
29	111.8	45.0	27	108.3	47.7	Jun 2	95.0	41.3
Jun 5	87.2	39.4	Jun 3	90.7	41.3	9	107.1	46.1
12	99.9	43.4	10	105.0	46.4	16	97.6	41.8
19	99.3	43.9	17	101.6	45.2	23	99.0	41.8
26	99.8	44.0	24	102.8	47.3	30	109.7	45.8
Jul 3	101.0	46.0	Jul 1	104.7	47.4	Jul 7	88.6	37.5
10	84.7	38.9	8	75.4	37.0	14	104.1	47.4
17	102.2	45.9	15	103.7	48.6	21	105.6	45.6
24	101.8	47.6	22	99.1	48.1	28	100.3	41.8
31	95.2	46.6	29	92.0	45.9	Aug 4	101.2	42.4
Aug 7	97.7	46.0	Aug 5	93.8	46.1	11	98.2	43.4
14	107.7	51.2	12	92.8	45.8	18	106.4	46.7
21	108.2	52.3	19	95.3	46.2	25	110.6	48.9
28	107.3	51.0	26	103.4	50.4	Sep 1	107.4	47.4
Sep 4	108.3	49.8	Sep 2	108.7	52.1	8	91.5	43.3
11	92.8	44.5	9	89.6	45.4	15	105.3	47.4
18	107.3	49.5	16	106.9	50.5	22	107.9	47.3
25	112.0	52.6	23	107.8	51.0	29	112.3	50.2
Oct 2	111.5	51.3	30	107.1	54.2	Oct 6	111.7	49.3
9	114.2	51.3	Oct 7	109.5	52.1	13	112.1	48.8
16	116.5	51.5	14	108.5	51.5	20	116.8	50.3
23	119.3	51.9	21	116.8	55.4	27	125.7	52.5
30	124.9	55.4	28	118.2	54.1	Nov 3	125.3	51.2
Nov 6	125.2	54.0	Nov 4	118.6	54.9	10	126.5	53.7
13	127.2	55.8	11	117.8	56.4	17	124.3	53.7
20	125.3	55.3	18	120.9	57.2	24	96.9	42.0
27	100.7	45.3	25	99.8	47.7	Dec 1	120.0	54.9
Dec 4	122.0	55.5	Dec 2	126.8	62.7	8		
11	118.2	55.5	9	125.1	61.4	15		
18	112.4	53.4	16	108.5	54.0	22		
25	88.2	42.9	23	108.3	55.0	29		
			30	88.6	45.1			

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service and the National Agricultural Statistics Service, all of USDA.

OCTOBER FLUID MILK SALES

During October, about 4.5 billion pounds of packaged fluid milk products were sold in Federal milk order (FMO) marketing areas and California. This was 0.6 percent higher than October 2000. On an individual product basis, sales of reduced fat (2%) milk, low fat (1%) milk, fat-free (skim) milk, and buttermilk increased from October 2000, while sales of whole milk decreased from a year earlier. The data for both years have been adjusted for calendar composition.

Editor's Note: This data also can be found at www.ams.usda.gov/dairy/mmos.htm.

PACKAGED SALES OF FLUID MILK PRODUCTS IN MARKETING AREAS DEFINED BY FEDERAL MILK ORDERS AND CALIFORNIA, OCTOBER 2001, WITH COMPARISONS 1/

Product Name/ Marketing Area (Order Number) 2/	Sales		Change from: 3/	
	Oct	Year to date	Previous Year	Year to Date
	Mil.lbs		Percent	
Whole Milk 4/	1,575	15,064	-1.1	-1.4
Reduced Fat Milk (2%)	1,413	13,548	0.7	0.4
Low Fat Milk (1%) 5/	788	6,907	4.0	1.3
Fat-Free Milk (Skim)	674	6,456	0.8	-2.1
Buttermilk	48	465	2.8	-3.9
Total Fluid Milk Products 2/	4,512	42,521	0.6	-0.5
Northeast (001)	859	8,086	1.8	0.1
Appalachian (005)	302	2,882	-1.8	-2.9
Southeast (007)	432	4,107	0.7	0.1
Florida (006)	242	2,342	2.1	1.0
Mideast (033)	562	5,280	-0.5	-3.5
Upper Midwest (030)	388	3,622	1.0	0
Central (032)	410	3,846	-0.1	0.4
Southwest (126)	383	3,465	4.0	0.4
Arizona-Las Vegas (131)	110	1,026	0.8	2.3
Western (135)	80	738	2.7	-0.3
Pacific Northwest (124)	192	1,809	-0.4	0.2
California (---)	553	5,318	-1.8	-0.6

1/ These figures are representative of the consumption of fluid milk products in Federal milk order marketing areas and California, and represent approximately 93 percent of total fluid milk sales in the United States. 2/ Sales by product are for all marketing areas combined. Individual marketing area data is for total fluid milk products. Total fluid milk products include the products listed plus miscellaneous products and eggnog. 3/ Percent changes have been adjusted for calendar composition. 4/ Includes flavored whole milk. 5/ Includes flavored fat-reduced milk.

SOURCE: Monthly summaries of *Federal Milk Order Market Statistics*, AMS, USDA, and *California Dairy Information Bulletin*, California Agricultural Statistics Service and Milk Stabilization Branch.

FEDERAL MILK ORDER PRICE AND POOL SUMMARY, NOVEMBER

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for November have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During November, about 10.0 billion pounds of milk were received from producers. This volume of milk is 9.0 percent higher than the November 2000 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +5.6 percent.) About 4.0 billion pounds of producer milk were used in Class I products, 0.3 percent higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2001 as compared to 2000. The all-market average Class utilization percentages were; Class I = 40%, Class II = 10%, Class III = 43%, and Class IV = 7%. The weighted average statistical uniform price was $14.19 per cwt., $1.26 lower than last month, and $2.08 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF NOVEMBER 2001

FEDERAL MILK ORDER MARKETING AREA 1/	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE 2/
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			$ PER CWT.
Northeast (Boston)	001	1,937.4	4.2	925.6	1.3	48	17	29	6	15.28
Appalachian (Charlotte)	005	520.7	4.6	379.2	2.3	73	13	5	9	16.76
Southeast (Atlanta)	007	641.9	5.6	410.3	-1.6	64	11	20	5	16.20
Florida (Tampa)	006	225.4	-2.8	203.2	-2.7	90	6	2	2	18.59
Mideast (Cleveland)	033 3/	1,448.1	14.5	571.4	-1.1	40	14	43	3	13.79
Upper Midwest (Chicago)	030 3/	1,765.8	10.8	348.9	1.1	20	3	76	1	12.45
Central (Kansas City)	032 3/	1,434.9	3.5	422.0	0.0	29	7	58	6	13.17
Southwest (Dallas)	126 3/	715.5	9.8	348.9	1.7	49	8	37	6	15.08
Arizona-Las Vegas (Phoenix)	131	232.7	1.0	81.6	-3.9	35	5	38	22	13.73
Western (Salt Lake City)	135 3/	453.4	48.1	91.3	3.9	20	10	47	23	12.87
Pacific Northwest (Seattle)	124 3/	600.6	14.2	184.1	-0.2	31	6	35	28	13.30
ALL MARKET AVERAGE OR TOTAL	3/	9,976.3	9.0	3,966.6	0.3	40	10	43	7	14.19

1/ Names in parentheses are the major city in the principal pricing point of the market.
2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.
3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform (blend) price in these markets, handlers elected not to pool an estimated 90 million pounds of milk that normally would have been associated with these markets. In November 2000, the estimated not-pooled volume of milk was 375 million pounds. After adjusting for these not-pooled volumes, the year-to-year percent change is +5.6.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF DECEMBER 17 – 21, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/01	SAME PERIOD LAST YEAR	WEEK ENDING 12/14/01	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	3,027,394	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	3,366,496	-0-	-0-
Process	-0-	-0-	-0-	-0-	3,168,000	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	9,561,890	-0-	-0-
NONFAT DRY MILK							
Nonfortified	7,503,017	367,446	7,135,571	58,904,593	89,724,368	639,046,000	324,200,000
Fortified	-0-	-0-	-0-	-0-	18,785,697	38,227,000	29,400,000
TOTAL	7,503,017	367,446	7,135,571	58,904,593	108,510,065	677,273,000	353,600,000

Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF DECEMBER 17 - 21, 2001 =	1.6	83.1	COMPARABLE PERIOD IN 2000 =	10.9	83.6
CUMULATIVE SINCE OCTOBER 1, 2001 =	13.0	685.6#	CUMULATIVE SAME PERIOD LAST YEAR =	112.1	1,357.7
CUMULATIVE JANUARY 1 – DECEMBER 21, 2001 =	86.4	3,955.9	COMPARABLE CALENDAR YEAR 2000 =	272.8	6,536.7

#CORRECTION: FOR WEEK OF 12/10-14 = 602.6 AND FOR WEEK OF 12/3-7 = 580.2

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF DECEMBER 17 - 21, 2001 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	7,135,571	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/01 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
REGION	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01	2001/02	2000/01
MIDWEST	-0-	-0-	-0-	4,702,563	-0-	1,299,802	-0-	39.0
WEST	-0-	-0-	-0-	4,819,727	58,904,593	107,210,263	100.0	60.7
EAST	-0-	-0-	-0-	39,600	-0-	-0-	-0-	0.3
TOTAL	-0-	-0-	-0-	9,561,890	58,904,593	108,510,065	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER MAY 31, 2001

MANUFACTURING MILK Average Test 3.67% - $9.90 per cwt.; 3.5% - $9.80

BUTTER Bulk $.8548 per pound; 1# Prints $.8848
CHEESE 40 & 60# Blocks $1.1314 per pound; 500# Barrels $1.1014; Process American 5# $1.1839; Process Am. 2# $1.2239
NONFAT DRY MILK Nonfortified $.9000 per pound; Fortified $.9100; Instant $1.0575

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 12/01/01 & Comparable Week 2000

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL WEEK	U.S. TOTAL SINCE JAN 1	% DAIRY OF ALL WEEK	% DAIRY OF ALL SINCE JAN 1
2001-Dairy	0.2	0.8	5.3	5.1	23.4	2.5	0.6	0.7	13.5	2.7	54.9	2,374.0	45.8	45.5
2000-Dairy	0.3	0.7	6.2	5.0	24.8	3.2	2.5	1.1	13.7	3.2	60.6	2,420.3	47.8	48.4
2001-All cows	0.2	1.0	7.4	13.7	33.9	16.2	16.9	6.2	16.1	8.3	120.0	5,218.6		
2000-All cows	0.3	0.9	8.4	15.4	35.3	15.2	20.6	6.1	16.8	7.9	126.9	4,996.6		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES,(3.5% BF, $/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	13.99	11.94	12.65	13.44	14.21	14.99	15.34	15.40	15.56	15.93	15.76	11.98
II	12.82	13.43	14.17	15.10	15.72	16.05	15.96	15.98	16.24	13.53	12.78	
III	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	
IV	12.13	12.70	13.46	14.41	15.04	15.33	14.81	15.06	15.59	12.77	11.97	

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm